

10 May 2021

Eight Capital Partners plc

("ECP" or "the Company")

Acquisition of Innovative Finance Srl for an initial €2.45 million

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€1.1 million Term Loan, Loan Extension and Loan Conversion

Eight Capital Partners Plc (AQSE: ECP), the investing company whose investment strategy focuses on technology, media, telecom and financial services businesses including listed investing companies, is pleased to announce the acquisition of financial services business, Innovative Finance Srl ("InnFin"). The Company will pay an initial €2.45m with a further potential earn-out of up to €2.45m based on the achievement of financial performance targets. It also announces a Term Loan to the Company of €1.1m.

The ECP board has been reviewing a number of investment opportunities within the financial services sector and recognises that those engaged in "Fintech" operations, the digitisation of banking services, through to blockchain-backed decentralised finance companies and crypto banks, are revolutionising the way that customers interface with financial services. Companies that embrace this technology are likely to become market leaders within their chosen sectors.

Within the existing strategy ECP is therefore re-energising its focus on financial services investments with particular attention being paid to fintech, financial services, banking digitisation and crypto banking themes (the "Themes").

The Acquisition

As part of this focus, the Company has agreed to acquire InnFin, a corporate finance advisory business that develops mergers and acquisitions and financing solutions across multiple sectors, primarily in Europe, with access to international transactions. It is currently working on transactions in the USA, Switzerland and Italy which are linked to technological developments in the financial services industry, such as fintech payment service platforms and conversion of a traditional banking entity into a digitised "bank of the future". The board considers these to be key growth areas as noted above and therefore believes that the investment in InnFin aligns well with its investment strategy for financial services and technology businesses.

ECP intends to create a supervisory board at InnFin and all of its wholly owned subsidiaries such that it has oversight capability and can cross-fertilise ideas, capital and deal flow across the portfolio. The Boards will consist of ECP members and independents.

Whilst ECP retained an option to acquire 60 per cent. of InnFin (the "Option Agreement"), details of which were announced on 27 July 2020, the Board decided it would better further ECP's strategy by acquiring the entire business. As a result, ECP has agreed to acquire 100% of InnFin for an initial consideration of €2.45m reflecting its ability to contribute directly to delivering the Company's growth Themes, current business levels, and pre-identified pipeline of upcoming transactions. A potential earn-out payment of a further €2.45m could become payable, subject to InnFin achieving agreed EBITDA levels over the next three years. The projected total EBITDA across the three year period is greater than the total potential consideration.

If these performance targets are not met, the potential earn-out does not become payable. If the targets are achieved, the earn-out can be paid in cash or shares at the Company's election. The initial purchase consideration will be settled by the payment of €1m in cash, €328,700 of vendor loan at a 5 per cent. interest rate accruing for 24 months ("IF Vendor Loan"), £62,000 (€71,300 at an exchange rate of £1:€1.15) in shares of Eight Capital ("Consideration Shares") issued at 0.039p (being the 360 day Volume Weighted Average Price) which equates to 155,388,471 shares, the offset of €350,000 that is owed to Eight Capital by the vendor as part of the Option Agreement, and €700,000 of the Company's listed bonds. Standard representation and warranty clauses for a corporate acquisition of this kind have been included in the contract.

The Consideration Shares will be issued to Concreta Srl, which, on admission of the shares to trading on AQSE, will be interested in 9.9 per cent. of the Company's enlarged issued share capital. As a result of a further issue of the Company's listed bond as partial consideration for InnFin the Company will have a total of €3,990,000 bonds outstanding.

The Term Loan

ECP's Chairman, Dominic White, has agreed to lend €1.1m to the Company by way of a 24 month, unsecured loan, at an accruing interest rate of 5% p.a. ("Term Loan"), to enable the acquisition to proceed and to provide working capital to the Company.

Loan Conversion

Following the issue of the Consideration Shares, IWEP Ltd ("IWEP"), the Company's largest shareholder, has agreed to convert £27,000 (equivalent to €31,050 at an agreed rate of £1:€1.15) of its outstanding vendor loan ("IWEP Vendor Loan") into 67,669,173 new ordinary shares ("Conversion Shares") at a price of 0.039p per share ("Conversion").

On Admission, IWEP's holding will be 29.9%. As a consequence of the InnFin acquisition and in consideration of the Term Loan, the maturity date for the IWEP Vendor Loan has been extended to 6 August 2022 ("Extension"). All other terms of the IWEP Vendor Loan remain unchanged and the balance outstanding following Conversion is €455,950. IWEP is controlled by Dominic White, Eight Capital's Chairman.

Following Admission, IWEP has informed the Company that it will be transferring its shareholding in the Company intra-group to Trumar Capital LLC. The ultimate beneficial owner remains unchanged.

Admission and Total Voting Rights

Application will be made for the admission of 223,057,644 new ordinary shares comprising the Consideration shares and the Conversion Shares (together "New Ordinary Shares") to trading on AQSE

Growth Market and it is expected that this will occur on or around 14 May 2021. The New Ordinary Shares will rank pari-passu in all respects with the Company's existing issued ordinary shares.

Subsequent to the issue of New Ordinary Shares, the Company will have 1,564,315,462 ordinary shares in issue. The Company has no shares in treasury, therefore this figure may be used by shareholders, from Admission, as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Related Party Transactions

The Term Loan, Extension and the Conversion are related party transactions pursuant to Rule 4.6 of the AQSE Growth Market Access Rulebook by virtue of their connection to Dominic White, Chairman.

The Term Loan and its accrued interest is expected to be repaid at the end of the 24 month term using distributions made by InnFin based on its current business plan and given ECP's ability to meet any earn-out that may become due through the issue of the Company's shares.

Commenting on the transactions, ECP's Chairman Dominic White said:

"The acquisition of InnFin combined with the Term Loan in ECP are first steps towards building an innovative investment portfolio focussed increasingly on the revolution that we are witnessing within banking technology and the financial services industry. We envisage a number of strategic investment opportunities for ECP which could be transformational in terms of shareholder value in the medium term. We are also working through strategies that could significantly grow the Company's equity value such that it becomes a more attractive opportunity for investors, and, capital partner for future investee companies."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Notification and public disclosure of transactions by persons discharging managerial responsibilities / person closely associated with them.

1. Details of the person discharging managerial responsibilities/person closely associated					
a) Name	<table border="1"> <tr> <td>Dominic White</td> <td>Chairman</td> </tr> </table>	Dominic White	Chairman		
Dominic White	Chairman				
2. Reason for the notification					
a) Position/status	Chairman				
b) Initial notification/Amendment	Initial Notification				
3. Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a) Name	Eight Capital Partners plc				
b) LEI	213800U1F5CGRZJ47X73				
4. Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a) Description of the financial instrument	Ordinary shares				
b) Identification code	GB00BYT56612				
c) Nature of the transactions	Loan conversion				
d) Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Amount</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td>67,669,173</td> <td>£0.00039</td> </tr> </tbody> </table>	Amount	Price	67,669,173	£0.00039
Amount	Price				
67,669,173	£0.00039				
e) Aggregated information					
- Aggregated volume					
- Price					
f) Date of the transactions	10 May 2021				
f) Place of the transactions	AQSE Growth Market, UK				

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